

SENATE BILL REPORT

2SHB 1922

As Reported By Senate Committee On:
Human Services & Corrections, March 29, 2007
Ways & Means, April 2, 2007

Title: An act relating to creating an independent youth housing program.

Brief Description: Creating an independent youth housing program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Pedersen, Pettigrew, Miloscia, McIntire, Walsh, Kagi, Appleton, Kenney, Hasegawa and Ormsby).

Brief History: Passed House: 3/06/07, 64-32.

Committee Activity: Human Services & Corrections: 3/22/07, 3/29/07 [DPA-WM, w/oRec].

Ways & Means: 4/02/07 [DPA, w/oRec].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member, Marr and McAuliffe.

Minority Report: That it be referred without recommendation.

Signed by Senator Carrell.

Staff: Shani Bauer (786-7468)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Carrell, Fairley, Hatfield, Hobbs, Keiser, Kohl-Welles, Oemig, Rasmussen, Regala, Roach, Rockefeller and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Honeyford, Parlette and Schoesler.

Staff: Richard Ramsey (786-7412)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Approximately 400 youth age out of foster care each year at the age of 18. According to the Foster Youth Transition to Independence Study conducted by the Office of Children's Administrative Research, within one year of aging out of the foster care system in Washington, approximately:

- 11 percent experienced homelessness and 25 percent "couch-surfed" with friends;
- 50 percent had completed high school or obtained their GED;
- 43 percent were employed with approximately 47 percent of those making wages at or below the poverty line; and
- 30 percent were enrolled in at least one public assistance program.

State law grants the Department of Social and Health Services (DSHS) the authority to provide independent living services to young people who have been in foster care up to the age of 21. "Independent living services" include assistance in achieving basic educational requirements such as a graduate equivalency degree; enrollment in vocational and technical training programs offered at the community and vocational colleges; obtaining and maintaining employment; and accomplishing basic life skills such as money management, nutrition, preparing meals, and cleaning house.

In 2005, the Legislature created an endowed scholarship program for financially needy foster care youth and former foster care youth. The same year, the Legislature authorized the Department of Community, Trade and Economic Development (CTED) to create an Individual Development Account (IDA) program for low-income persons and foster youth.

The IDA program was designed to encourage savings for such purposes as funding postsecondary education or job training, purchasing a primary residence, capitalizing a small business, or purchasing a car or computer. The CTED was authorized to set up a government match of up to \$4 for every dollar contributed by the foster youth or low-income person to an IDA, up to \$4,000.

In 2006, the Legislature established a program for up to 50 foster youth reaching 18 per year, for a period of three years, to continue in foster care or group care, as needed, while they participate in a post-high school academic program or vocational program and to receive necessary support and transition services.

Summary of Second Substitute Bill: The Independent Youth Housing Program is created in the CTED to provide housing stipends to eligible youth to secure independent housing.

A youth is eligible to participate in the program if he or she is between 18 and 23 years of age, was a dependent of the state in the month before his or her 18th birthday, and has income that does not exceed 50 percent of the area median income. In order to participate in the program, the youth must agree to timely pay a portion of the independent housing cost and comply with an independent living plan. At such time as the youth has income in excess of 50 percent of the area median income, the youth may continue to receive benefits, but must participate in the IDA program or an alternate supervised savings program.

Obligations of the agencies participating in the Independent Youth Housing Program are specified.

The DSHS is required to:

- refer eligible youth to CTED prior to the youth's 18th birthday;

- collaborate with CTED to provide information about the program to youth aged 15 or older who are dependents of the state;
- encourage collaboration between the independent living program, transitional living program, and the Independent Youth Housing Program;
- provide annual data to CTED reflecting the number of children exiting state care each year that are eligible for state assistance as well as other performance measures; and
- annually report to the Legislature and interagency council on homelessness recommendations to reach the goals of ensuring that all youth exiting the state dependency system have access to affordable housing and reducing the percentage of youth eligible for state assistance.

CTED is required to:

- adopt policies, requirements, and procedures necessary to implement the program;
- contract with eligible organizations to provide services and administrative activities;
- establish additional eligibility criteria for youth to qualify for the Independent Youth Housing Program;
- refer interested youth to the designated subcontractor organization;
- develop a method for determining the amount of housing assistance to be provided to participating youth; and
- annually review and report on the performance of subcontractor organizations and the program as a whole.

Subcontractor organizations are required to:

- enroll eligible youth who are referred by CTED and who choose to reside in their assigned service area;
- enter eligible youth program participants into the homeless client management information system;
- issue housing stipends as well as security deposits and first and last month's rent;
- monitor the status of participating youth;
- evaluate the eligibility and compliance of participating youth at least twice a year;
- assist participating youth in developing or updating independent living plans;
- provide case management and referral services to participating youth;
- connect participating youth with IDA programs, other financial literacy programs, and other programs designed to help the youth acquire economic independence;
- submit expenditure and performance reports; and
- provide recommendations to the department regarding program improvements.

The Independent Youth Housing account is created in the State Treasurer.

Beginning in September 2008, the Washington State Institute for Public Policy must conduct a study measuring the outcomes for youth who are participating or who have participated in the Independent Youth Housing Program. The Institute must issue a preliminary report to the Legislature by December 1, 2009, and a final report by December 1, 2010.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Human Services & Corrections): CTED is required to give priority to youth who have been dependents of the state for at least one year and to take the youth's income into account in determining the amount of the housing stipend. The

requirement that CTED serve the maximum number of eligible youth within available funding is removed. Provisions are reorganized into separate sections and repetitive language is removed for the ease of readability.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Ways & Means): The Independent Youth Housing Account is made an appropriated account.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Human Services & Corrections): PRO: Children aging out of foster care are particularly vulnerable and have been identified as having a number of negative outcomes. Their income is typically below the poverty level; they have a high incidence of involvement with public assistance programs; and some of them will end up living on the street. Children who have a good support system from their parents statistically have much better success. On average, parents contribute \$44,000 for the support of their child between the ages of 18 and 26. Housing is a key need for those moving out on their own. It is common sense for the state to provide housing assistance to children in state care.

Persons Testifying (Human Services & Corrections): PRO: Representative Pedersen; Jim Theofelis, Mockingbird Society; Laurie Lippold, Children's Home Society; Casey Trupin, Columbia Legal Services.

Staff Summary of Public Testimony (Ways & Means): PRO: This bill creates a wonderful opportunity to help kids as they come out of foster care. It's been demonstrated that good housing and health care will save costs in the long run.

Persons Testifying (Ways & Means): PRO: Jim Theofelis, Mockingbird Society.